



JAMES A. NOYES, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE

REFER TO FILE: **PD-1**

June 5, 2003

TO: Each Supervisor

FROM: James A. Noyes  
Director of Public Works

### **ALAMEDA CORRIDOR EAST (ACE) PROJECT MAY 22, 2003, MEETING**

On May 22, 2003, a member of my staff attended the regular meeting of the San Gabriel Valley Council of Governments-ACE Construction Authority. A copy of the agenda and the adopted minutes of the April 28, 2003, meeting is attached. The following items occurred at the meeting, which are of interest to the County.

Under Agenda Item IV, the Chairman reported that he met with members of the State Legislature on May 14 and 15, 2003. In particular, the Chairman met with Assemblyman Manny Diaz, Chair of Assembly Budget Subcommittee No. 5 on Information Technology and Transportation. The Chairman discussed the status of the State Budget and its impact on future budgets of the ACE Construction Authority. The Chairman also cohosted a dinner with Foothill Transit and the Pasadena Gold Line for members of the San Gabriel Valley legislative caucus.

Under Agenda Item V, the Chief Executive Officer reported that all future meetings of the ACE Construction Authority will be held at 1 p.m. The dates of the meetings will remain on the fourth Monday of the month.

Under Agenda Item VI, the ACE Construction Authority Board accepted the Nogales Street Grade Separation Demolition Services contract with Pena Grading and Demolition and its final retention payment bringing the final contract total to \$302,418 including two change orders.

Under Agenda Item VII, the ACE Construction Authority Board approved the Authority's Fiscal Year 2003-04 Budget. A summary of the Budget is attached.

Each Supervisor  
June 5, 2003  
Page 2

The next meeting of the ACE Construction Authority Board will be on June 23, 2003, at Irwindale City Hall at 1 p.m.

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Attach.

cc: Chief Administrative Office  
Executive Office



# Alameda Corridor-East Construction Authority

4900 Rivergrade Rd . Ste A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

## REGULAR MEETING AGENDA Thursday, May 22, 2003, 2 P.M. Irwindale City Hall - Council Chambers 5050 Irwindale Avenue Irwindale, CA 91706

**NOTE: CHANGE  
IN MEETING  
DATE!**

Members of the public may comment on any item on the agenda at the time it is taken up by the Board. We ask that members of the public come forward to be recognized by the Chair and keep their remarks brief. If several persons wish to address the Board on a single item, the Chair may impose a three- minute time limit on individual remarks at the beginning of discussion.

All items set forth on this agenda may be subject to action.

### Roll Call and Introductions

Approval of Minutes - Regular Meeting of April 28, 2003 (Pages 1-6) Action

Public Comment

Chairman's Remarks Information

Chief Executive Officer's Report (Pages 7-15) Information

Acceptance of Demolition Services for Nogales Street Grade Separation & Close-out of Contract No. 02-12 with Pena Grading & Demolition, Inc. (Page 16-17) Action

Approval of FY '04 Budget (Pages 18-39) Action

Status Report on Residential & Business Relocations (Pages 40-43) Information

### Closed Session:

- Conferences with Real Property Negotiators in accordance with Government Code Section 54956.8

Property Address: 2657 E. Valley Blvd. West Covina, CA - LASC Case No. BC 269663 Possible Action

Agency Negotiators: Mark Mendoza, Paragon Partners/Joe Montes, Burke, Williams & Sorensen, LLP

Negotiating Parties: ACE Construction Authority vs. Kim, et al

Matters under negotiation: Price and terms

The ACE Construction Authority is currently constituted of seven (7) member jurisdictions: the City of El Monte, the City of Industry, the City of Montebello, the City of San Gabriel, the City of Pomona, the County of Los Angeles, and the San Gabriel Valley Council of Governments. A San Bernardino County Council of Governments representative is an ex officio Board member.

Each member or alternate has one vote. A quorum of the ACE Construction Authority is no less than four (4) of its total voting membership. Actions taken by the ACE Construction Authority shall be by simple majority of the members present with a quorum in attendance except for personnel actions, the annual budget, matters dealing with the Administrative Code or matters requiring subsequent approval by the SGVCOG, all of which shall require five (5) votes.

Property Address: 151-157 East End, Pomona, CA  
Agency Negotiators: Mark Mendoza, Paragon Partners/Joe Montes, Burke,  
Williams & Sorensen, LLP  
Negotiating Parties: ACE Construction Authority and Jose Manuel Gamboa  
Matters under negotiation: Price and Terms

Possible Action

Property Address: 159 East End Ave. Pomona, CA  
Agency Negotiators: Mark Mendoza, Paragon Partners/Joe Montes, Burke,  
Williams & Sorensen, LLP  
Negotiating Parties: ACE Construction Authority and Victor and Maria Magallanes  
Matters under negotiation: Price and Terms

Possible Action

Property Address: Southwest corner of Monterey St. and Reservoir St. , Pomona,  
CA  
Agency Negotiators: Mark Mendoza, Paragon Partners/Joe Montes, Burke,  
Williams & Sorensen, LLP  
Negotiating Parties: ACE Construction Authority vs. GTE California (Verizon, Inc.),  
et al - LASC Case No. BC 294344  
Matters under negotiation: Price and Terms

Possible Action

- Performance Evaluation of Chief Executive Officer (In accordance with  
Government Code 54957)

K. Adjournment





**ACE Construction Authority  
Regular Board Meeting  
April 28, 2003 Minutes**

Chairman Harry Baldwin called the meeting to order at the Irwindale Council Chambers on Monday, April 28, 2003 at 2:06 PM.

**1. In attendance were:**

Harry Baldwin, Chair, San Gabriel  
Ernie Gutierrez, El Monte  
Jack Phillips, Industry  
Ed Vasquez, Montebello  
Ed Cortez, Pomona  
Gloria Molina, LA County  
Bob Huff, SGVCOG, Diamond Bar  
Paul Eaton, Ex Officio, SANBAG

Staff

Rick Richmond, Chief Executive Officer  
Joe Silvey, Legal Counsel  
Joe Montes, Legal Counsel  
Sharon Neely, staff  
Deanna Stanley, staff  
Bruce Armistead, staff  
Robert Alvarez, staff  
Girish Roy, staff  
Cynthia Ambrose, staff

Guests

Rose Anderson, Congressman Gary Miller  
Nora Gutierrez, Assemblymember Ed Chavez  
Rob Van Riel, Senator Nell Soto  
Dick Simmons, Supervisor Don Knabe  
Vijay Koppam, Caltrans  
Tom Melendrez, City of Ontario  
Jim Clouet, South Coast Air Quality Management District  
Phyllis Papen, Boyle Engineering  
Gene Bougdanos, Tetra Tech  
Helen Romero Shaw  
RF White  
Lynda Vaughn  
Susan Brown, Moffatt & Nichol

## **2. Approval of minutes of meeting of March 28, 2003**

Mr. Richmond indicated that revised minutes of March 28, 2003 were distributed to the Board. A motion was made to approve the revised meeting minutes.

M/S/C: Cortez/Phillips/Unanimous

## **3. Public Comments**

Jim Clouet, of the South Coast Air Quality Management District addressed the Board and urged their support of AB 1063 indicating it was an important source of multi-county funding beginning in 2007. There were no other public comments.

## **4. Chairman's remarks**

The Chairman reminded the Board of the upcoming legislative meetings scheduled in Sacramento on May 14 followed by a dinner co-hosted by Foothill Transit, Pasadena Gold Line and the San Gabriel Valley Council of Governments. He asked members interested in attending to contact ACE offices. Chairman Baldwin also announced the Nogales Street groundbreaking ceremony planned for Wednesday, May 28<sup>th</sup> at 10:30AM. Lastly, Chairman Baldwin indicated that informational material was distributed to the Board regarding the Chief Executive Officer's upcoming performance evaluation. He asked the Board to review the material in preparation for discussion in closed session at the May Board meeting. Member Eaton asked for clarification on the meeting date and it was determined the May Board meeting was scheduled for May 19<sup>th</sup>.

## **5. Chief Executive Officer's Report**

Mr. Richmond reported that staff had participated in the City of Pomona's Christmas in April volunteer program to improve a residence. He reported on the Board's request at the April meeting regarding the outcome of the Center for Contract Compliance meeting to discuss the Authority's DBE and procurement process. Mr. Richmond indicated he felt that the representatives were pleased with the Authority's monitoring and reporting procedures. He further reported that Caltrans also met with ACE staff to review our labor compliance procedures. They indicated they were also very satisfied with our process and we expected to have something in writing to that affect. Mr. Richmond reported on the recent action by the MTA to prioritize state funding of transportation projects. MTA has committed to maintain the 17% local match commitment. MTA has committed to work with the Authority and state representative to seek the remaining TCRP funding which was previously committed (additional \$68 million). Lastly, Mr. Richmond reported that project briefings and tours were arranged within the last few weeks for Congressman Ernie Istook, Chairman of House Sub Committee on Transportation Appropriations and Alan Rutter, Federal Railroad Administrator. Mr. Jim Connolly, Bechtel-Korve Program Manager provided a summary of the activities over the last month.

## **6. Hearing on Resolution of Necessity for Property Acquisition for East End/Reservoir Grade Separation in the City of Pomona**

Chairman Baldwin opened the hearing.

Joe Silvey of Burke, Williams & Sorensen described the eminent domain process. He indicated that the Authority had negotiated in good faith and that negotiations will continue. He introduced Mark Mendoza, of Paragon Partners. Mr. Mendoza indicated four design options were carefully considered. He noted that evaluation criteria included, but were not limited to: pedestrian and vehicular safety, vehicular movements, impacts to adjacent residential and business areas, property acquisition impacts and costs. He noted that significant effort was made to minimize the need to acquire property for the project. However, in order to maintain vehicular traffic flow, temporary construction easements were required. He described the property location and use as a fueling station and indicated it was staff's belief that business could continue to operate during and after construction.

The Chairman opened public comment. Ron White, trustee of the White Trust addressed the Board to object to the proposed project. He reported that he operated the fueling station at 201 S. Reservoir and he explained in his view that the resulting grade separation would cause a loss of visibility and the facility would become useless. He suggested rather than easements, ACE should purchase the entire parcel. Linda Vaughan of Inland Commercial Fueling addressed the Board and expressed her concern regarding the loss of accessibility, which she deemed crucial to continuing to patronize the business. There were no other comments and the Chairman closed the public comment period.

The Chairman asked staff to address the concerns raised by Mr. White and Ms Vaughan. Mr. Mendoza indicated that it was staff's belief that the fueling business would be able to continue its operations during and after construction and that every effort would be made to accommodate the concerns. He reminded the Board that the business owner could obtain other remedies should business suffer during or as a result of the project. He further reported that staff would continue to negotiate in good faith with Mr. White.

The Board requested clarification that the driveways on the north end of the property would be accessible.

The Chairman closed the hearing and a motion was made to adopt Resolution 03-09, authorizing the commencement of eminent domain proceedings to acquire the temporary easement interests in the real property at 201 S. Reservoir Street in the City of Pomona. M/S/C: Gutierrez/Molina/Unanimous

### **7. Approval of Phase I Construction Priorities**

Mr. Richmond summarized the need to develop a strategy to implement Phase I projects in the event TCRP funds are delayed or reduced and not replaced. He reported that completion of the Phase I grade separations already designed should take precedence over starting design of the Phase II projects. He reviewed the strategy and the priority projects, which were those most ready for construction. He noted that three projects (Baldwin Av.; Sunset Av.; and Brea Canyon Rd.) could be potentially delayed for construction should state funding be delayed or reduced. Mr. Richmond indicated all three could move quickly into construction should state funding be allocated. A motion was made to approve the staff recommendation for implementing Phase I of the ACE Project in the event State Transportation Congestion Relief Program funds are delayed or reduced and not replaced.

M/S/C: Cortez/Molina/Unanimous

### **8. Approval of Contract Amendment for Construction Management Services for the Grade Crossing Safety Improvement Project and IRRIS Devices with CBM Consulting**

Mr. Richmond reported that CBM has been performing construction management services for the grade crossing safety improvement program that included coordinating UPRR signal and track force account activities. The need for their services to oversee the installation of 32 traffic devices for the IR/RIS project was not anticipated when the original contract was negotiated. In addition, the Board approved a construction contract for installation of four-quad gates at five locations in downtown Pomona. Mr. Richmond indicated it was most appropriate to continue the services of CBM to provide construction management over the IR/RIS project including the four-quad gate project. A motion was made to authorize the CEO to amend contract No. 00-06 with CBM Consulting to increase the contract dollar amount by \$765,816 to a new contract value of \$2,550,779 and extend the effective completion date of the contract commensurate with the associated construction contracts. M/S/C: Gutierrez/Phillips/Unanimous

### **9. Approval of Contract Amendment with Chris McGargill Consulting**

Mr. Richmond discussed the need to continue the services of Chris McGargill for reviewing and validating charges on invoices from the Union Pacific Railroad (UPRR). Mr. Richmond reviewed a summary of validations over the past ten months that resulted in a savings of nearly \$300,000 to the Authority. A motion was made to authorize the Chief Executive Officer to execute a contract amendment with Chris McGargill for billing validation services to run from April 1, 2003 through June 30, 2004 for an amount not-to-exceed \$78,000 for a new contract value of \$200,000.

M/S/C: Vasquez/Gutierrez/Unanimous

#### **10. Approval to Work with Author of AB 1063**

Mr. Richmond reported that the San Gabriel Valley Council of Governments referred the bill to the ACE Board for review. Mr. Richmond indicated the bill was recently amended to include language concerning the ACE Project. He indicated clarification language concerning the ACE Project had not been accepted by AQMD as sponsors of the legislation. He also noted proposed clarification language regarding the ACE Project area as a funding priority area when fees were imposed beginning in 2007. Mr. Huff expressed his concern of the generality of the term "imposing a reasonable fee" and was supported by Chairman Baldwin. A motion was made for staff and the Chairman to work with the author and AQMD to clarify language as summarized in the staff report. The Board clarified that the Chair was authorized to support the bill if acceptable language was amended into the bill.

M/S/C: Huff/Gutierrez /Unanimous

#### **11. Approval of Part-Time Staff Position**

Mr. Richmond indicated that there has been a significant increase in workload on changes to funding applications due to the current volatility in state transportation funding and increases in project accounts. He recommended approval of a part time staff position for up to 20-25 hours per week to assist with Federal/State/local funding administration and project administration support. A motion was made to approve a part time staff position at a range of \$36-\$42 per hour for this position.

M/S/C: Gutierrez/Molina/Unanimous

#### **12. Quarterly Report**

Mr. Richmond highlighted the ACE progress report for the quarter ending March 31, 2003. He noted that costs for Phase I had been reduced by \$6.8 million to \$406.3 million primarily based upon a reduction of the lower construction costs for Nogales and lower costs for Sunset due to anticipated relief from Union Pacific Railroad on a design standard. He indicated that the Mission Road project would be completed in May and that 31 Jump Start safety crossings have been completed. Mr. Richmond noted that design is proceeding for Brea Canyon Road and Baldwin Avenue projects. ACE is awaiting design comments from UPRR on Temple, East End/Reservoir, and Sunset Av. He indicated that three construction projects would be delayed in Industry, El Monte, and Diamond Bar if state funding for FY '04 were not allocated.

#### **13. Closed Session**

Mr. Silvey indicated that per government code section 54956.9 the Board would recess to closed session to discuss potential litigation in connection with claims filed for monetary compensation or damages filed against ACE by Grachik Shakhpazyan, et al. The Board returned to open session and Legal Counsel announced that no action was taken which needed to be reported.

#### **14. Adjournment**

There being no further business, the meeting was adjourned at 3:18 PM.



## Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

MEMO TO: ACE Construction Authority Board Members & Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: May 22, 2003

SUBJECT: CEO Monthly Report

The following are items of note since the last meeting:

**Sacramento Meetings:** On May 14<sup>th</sup> and 15<sup>th</sup>, ACE Board representatives and staff traveled to Sacramento to discuss pending legislation of interest to the Authority as well as the impacts of the state budget proposals on grade separation projects in the Cities of El Monte, Diamond Bar and Industry. I will provide an oral update at the meeting.

**Washington Update:** The ACE Construction Authority co-hosted a Senate reception in DC with the Trade Corridor Coalition to increase Senate awareness of the need for increased federal funding of goods movement projects. The reception was well attended. Senator Boxer attended and spoke in support of the Coalition's efforts. In addition, it is anticipated that the Administration will soon release their long awaited proposed legislation for the re-authorization legislation for TEA-21 (Transportation Efficiency Act for the 21<sup>st</sup> Century). It is expected that there will be status quo funding (\$275 billion) for the bill and for goods movement type projects such as the ACE Project. At the same time, the House Transportation & Infrastructure Committee is working on their version of the legislation. Chairman Don Young has announced that the bill will propose a \$375 billion funding level and he expects to have the bill ready in July.

**MTA Short Range Transit Plan:** MTA has recently released their Short Range Transit Plan (2004-2009), which programs over \$19 billion during the time period. MTA is taking the plan to their Board for approval at their June 26<sup>th</sup> meeting. Comments are due June 4<sup>th</sup>. The plan proposes to maintain MTA's 17% local match commitment to the ACE Project. MTA staff has also included the proposal to develop an action plan by 2007 that will generate additional funding for goods movement beyond existing sources. Staff supports MTA efforts in this regard.

**Community Outreach Update:** Staff has conducted the following project outreach activities:

- 1) Coordinated and conducted a school safety presentation on April 9, 2003 at the Santana High School parent-teacher night.
- 2) Prepared and distributed press releases in English, Spanish and Chinese regarding the ACE funding allocation approved by the CTC.
- 3) Held a pre-bid conference for the ACE Project Video.
- 4) Prepared for the May 28 Nogales Street grade separation groundbreaking event.
- 5) Distributed notices to Nogales-adjacent property owners requesting permission to document pre-construction property conditions.

**Contracting:** Our Administrative Code delegates to the CEO the authority to approve new contracts or change orders for Board-approved contracts within certain limits with a requirement that I report to the Board any such contract action. Below is a list of such contract actions this past month that have not been separately approved by the Board.

<b><u>Contractor</u></b>	<b><u>Reason for Contract/Change</u></b>	<b><u>Previous</u></b>	
		<b><u>Contract</u></b>	<b><u>Change</u></b>
		<b><u>Value</u></b>	
Pena Grading & Demolition (Nogales Demolition)	Remobilization resulting from delay in access to one property at the site	\$301,418	\$1,000

In addition, the work performed under Contract No. 03-02 with Pena Grading & Demolition has been completed. The contract valued at \$24,996 consisted of demolition of various structures acquired by ACE at the Reservoir St. grade separation site. There were no change orders associated with Contract 03-02.

**DBE Outreach:**

The ACE Construction Authority exceeded the 18% established goal for Federal FY 2001/2002 (which covers October 1, 2001 through September 30, 2002). Of \$15,683,655.00 paid to prime contractors, \$4,220,335.00 was paid to DBE firms during Federal FY 2001/02, approximately 27% of the total.

ACE Construction Authority participated as an Exhibitor at the following events to promote the Authority's upcoming construction contracting opportunities:



- "Greater Los Angeles Vendor Fair" hosted by the L.A. County Metropolitan Transportation Authority, Metropolitan Water District, County of Los Angeles, City of Los Angeles and LAUSD on April 23, 2003. Over 2,000 attendees/exhibitors participated at the event, which was held at the Bonaventure Hotel.
- "Women & Business Expo" presented by the Inland Empire Business Journal & Toyota Dealers of Southern California. Over 400 attendees/exhibitors participated at the event, which was held on May 16, 2003 at the Ontario Convention Center.

**Program Management Monthly Report:** Mr. Jim Connolly, the Project Manager, will report on the Bechtel/Korve program management support activities for the last month (attached).

**MONTHLY PROGRESS REPORT**  
**ALAMEDA CORRIDOR -EAST PROGRAM MANAGEMENT SERVICES**  
**PERIOD ENDING 4/30/2003**

This report summarizes activities undertaken between April 1 and April 30, 2003.

**OVERVIEW:**

Work is proceeding on project implementation on several fronts, with an emphasis on:

- Issued Limited Notice to Proceed for Nogales Street Grade Separation Project.
- Submitted 100% Temple Avenue Train Diversion Design to UPRR for review.
- Continued the design of the full deck bridge structures at East End and Reservoir per the latest UPRR requested design changes. The 65% design will complete in May.
- Redesign for the timetable shoofly needed to support the construction effort of the bridge structures at East End and Reservoir.
- Sunset Avenue Grade Separation Project design work continues on hold, pending resolution of UPRR issues.
- Closing out traffic "pre-signal" work in Jump Start Contract 02-01 (11 crossings in City of Industry), incorporating final County of Los Angeles design and operation comments.
- Continued construction on Jump Start Contract 02-04 (Relocation of the Mission Road grade crossing in San Gabriel).
- Completed procurement documents for IR/RIS Field Traffic Devices and submittal on April 17<sup>th</sup> to Caltrans for authorization to proceed (advertise, bid and award).
- Right-of-Way Program activities including communication with property owners, preparing relocation plans, conducting environmental due diligence, obtaining appraisals, presenting offers and closing escrow on acquisitions.
- Monitoring Quality Control and Quality Assurance program compliance at design firms as well as CM consultants.
- Coordination with utilities at grade separation locations and Temple Ave. Train Diversion Project.
- Community outreach activities.
- Continuing utility relocations for Nogales Street Grade Separation Project.
- Reviewed the Alternate Concept Designs for the Nogales/LA Subdivision Grade Separation Project with the County and City of Industry.
- Ramona Grade Separation Project; Reviewed Bridge Construction Details and Durations for Proposal to UPRR.

**BUDGET/SCHEDULE**

Work is currently proceeding within schedule and budget

## COMPLETED AND ONGOING WORK ACTIVITIES

### PROGRAM MANAGEMENT SCOPE

#### **I. General Program Management & Administration Service:**

##### **A. Management and Administration**

- Provided direction to PM team for accomplishment of tasks
- Maintained progress on tasks
- Submitted monthly invoice
- Prepared various cost and budget reports
- Updated detailed project schedule

##### **B. Procurement**

- Issued Limited Notice to Proceed for Nogales Street Grade Separation
- LNTP for Four-Quadrant Gate Construction Contract
- Reviewed IR/RIS traffic signal software programming contract

##### **C. Quality Control Program/Value Engineering**

Performed surveillance/audit of various design firms and CM consultants and provided corrective actions. Assisted and supported intra and interdisciplinary review and coordination activities, claim avoidance and constructibility reviews, job walks at pre and prior critical submittal points reviews and Peer (independent in-house consultant staff) review to achieve better bid document sets. Audited design and CM consultants for Baldwin Avenue Grade Separation, Temple Avenue Train Diversion design contract and Jump Start and Nogales Shoofly construction contracts

##### **D. Utility Program Management**

- Ongoing planning and coordination with major utility companies
- Developing specific solutions for utility rearrangements at the East End Avenue, Reservoir Street, Nogales Street, and Ramona Grade Separations, and the Temple Avenue Train Diversion
- Coordinating the resolution of longitudinal utility rearrangement issues in UPRR right-of-way
- Working with Caltrans and Utilities to finalize Specific Authorizations to commence certain Utility relocations. Began submitting SA's for Temple contract.
- Submitted to UPRR, applications for utility crossing at UP ROW @ East End/Reservoir

##### **E. Environmental Program**

- Developing Mitigation Monitoring and Reporting Programs

##### **F. Permitting Support**

- Planning for permits from regulatory agencies

##### **G. Public Outreach**

- Coordinated and held pre-bid conference for ACE Project Video
- Coordinated preparatory work for May 28 Nogales Street Grade Separation Groundbreaking Ceremony

- Prepared and distributed press release in English, Spanish and Chinese regarding ACE funding allocation approved by the California Transportation Commission
- Coordinated school safety outreach follow-up activities
- Coordinated and conducted school safety presentation on April 9 at Santana High School parent-teacher night
- Coordinated request notices to Nogales adjacent property owners regarding documenting pre-construction property condition
- Updated ACE Project handouts
- Ongoing content updates to ACE website
- Ongoing coordination with Project Management Teams for Nogales Grade Separation and Mission Road Jump Start projects
- Continue to respond to ACE Helpline and email inquiries

## **II. Project Management Services**

- Ongoing project coordination with involved agencies/jurisdictions/UPRR
- Submitted full deck General Plan and related design plans as an amendment to the CPUC application for Reservoir Street Grade Separation and received UPRR letter withdrawing their protest.
- Met with CPUC staff on petitioning for change to East End Avenue decision (design changes similar to Reservoir Street).
- Providing technical direction to B-K sub consultants

## **TECHNICAL SCOPE**

### **Jump Start IR/RIS Traffic Signal Demonstration Project**

- Prepared draft IFB for Field Traffic Devices
- Provided technical direction of program

### **Right-of-Way Program and Technical Services**

- Negotiations ongoing for the purchase of one (1) Nogales Street grade separation project property, four (4) East End Avenue grade separation project properties, nine (9) Reservoir Street project properties, six (6) Temple Avenue train diversion project properties and two (2) Ramona Boulevard project properties
- Processing relocation assistance for five (5) businesses located at the Nogales Street grade separation project and one (1) business located at the Reservoir Street grade separation project
- Continued escrow on purchase of three permanent easements and three temporary easements on Temple Avenue Train Diversion project properties, one utility easement and one temporary construction easement on Reservoir Street project properties and one fee acquisition of a Ramona Blvd. project property
- Completed land and improvement appraisal for Brea Canyon Road complete acquisition property
- Performed environmental due diligence on three (3) Ramona Blvd. project properties and one (1) Brea Canyon Road project property
- Continued property management of one (1) East End Avenue grade separation project property, six (6) Nogales Street grade separation project properties and ten (10) Reservoir Street grade separation project properties

- Managed demolition of structures contracts for nine (9) Reservoir Street properties
- Responded to property owner inquiries regarding the ACE Project at Ramona Boulevard, East End Avenue, Mission Drive, Nogales Street, Reservoir Street, Temple Avenue Train Diversion, Brea Canyon Road and Baldwin Avenue
- Continued liaison with Caltrans Local Programs personnel

#### Railroad and Shoo-fly Design

- A conceptual shoofly design based on previous input from UPRR for East End Reservoir has been submitted to UPRR for their review.
- Shoofly Concept and permanent main track raise concept for Nogales South has been submitted to UPRR for review and comments.
- Completed the revision to the San Gabriel Trench conceptual track and shoofly design.
- Brea Canyon Shoofly design is currently waiting for comments from Metrolink.
- Baldwin Ave Shoofly design advanced to 65% level and submitted to UPRR for review, comment and incorporation into overall design package.

#### Surveying and Mapping Program

- Continuing the ROW plats and legal description for Nogales Avenue, Temple Avenue Train Diversion, East End Avenue and Reservoir Street projects for the full and partial takes and the plat maps for the temporary construction easements
- Continued developing the ROW documents needed to support the Ramona Grade Separation Project, offers made to 3 owners

#### **NEXT PERIOD**

Continue development of all scheduled activities

# ACE PROJECT CONSTRUCTION SUMMARY REPORT

Contract No: 02-04  
Contract Name: Railroad Grade Crossing Safety Improvements - Mission Rd.  
Contractor: Olivas Valdez, Inc.  
Update: As of May 10, 2003

## I. SCHEDULE STATUS

Contract NTP:	10/14/02
Contractual Completion Date:	05/30/03
Forecasted Completion Date:	05/30/03

Crossings	Start	Finish	UPRR Track Complete	UPRR Signal Complete	Status of Construction
Mission Rd.	10/14/02	5/30/03	Complete	Complete	Permanent signal poles have been installed. Curb and gutter along Mission and Main Streets is complete. Bus pads, drainage improvements, sidewalks, landscaping, street lights complete. UPRR signal gates, track work complete and old material removed. Final roadway sections to be completed May 21. All construction activities to be completed by May 30, punchlist items and extra work anticipated to be completed in June.

## II. COST SUMMARY

Original Contract Value:	\$1,014,104
C.O.s Approved This Month	\$0
C.O.s Approved to date (Cumulative) :	\$0
Current Contract Value:	\$1,014,104

# **ACE PROJECT** **CONSTRUCTION SUMMARY REPORT**

Contract No: 02-01A  
 Contract Name: Railroad Grade Crossing Safety Improvements Phase 2  
 Contractor: D.W Powell Construction, Inc  
 Update: As of May 10th, 2003

## **I. SCHEDULE STATUS**

Contract NTP:	6/17/02
Contractual Completion Date:	5/30/03
Forecasted Completion Date:	5/30/03

Crossings	Start	Finish	UPRR Track Complete	UPRR Signal Complete	Status of Construction
Mission Mill Road	6/17	12/5	Complete	Complete	Improvements completed. Punchlist complete. City sign-off will be with all crossings.
Turnbull Canyon Road	6/28	8/16	Complete	Complete	Improvements completed. Punchlist complete. City sign-off will be with all crossings.
Workman Mill Road	7/2	8/5	Complete	Complete	Improvements completed. Punchlist complete. City sign-off will be with all crossings.
Lemon Avenue	NA	NA	N/R	Complete	Scope reduced. Punchlist complete. City sign-off will be with all crossings.
Fairway Drive	6/27	5/30	Complete	Complete	Pre-signals installed. Final loop placement and striping pending County direction. Anticipated to be completed 5/30/03.
Puente Avenue	10/2	5/30	Complete	Complete	Pre-signals installed. Final loop placement and striping pending County direction. Anticipated to be completed 5/30/03.
California Avenue	12/1	5/30	N/R	N/R	Pre-signals installed. Final loop placement and striping pending County direction. Anticipated to be completed 5/30/03.
Brea Avenue	9/23	2/28	N/R	Complete	Pre-signals installed. Final loop placement and striping pending County direction. Anticipated to be completed 5/30/03.
Temple Avenue	8/19	10/28	N/R	Complete	Improvements completed. Punchlist complete. City sign-off will be with all crossings.
Rose Hills Road	9/10	12/5	Complete	Complete	Improvements completed. Punchlist complete. City sign-off will be with all crossings.
Fullerton Road	10/14	5/30	Complete	Complete	Pre-signals installed. Final loop placement and striping pending County direction. Anticipated to be completed 5/30/03.

## **II. COST SUMMARY**

Original Contract Value:	\$1,526,572
C.O.s Approved This Month	\$0
C.O.s Approved to date (Cumulative) :	\$0
Current Contract Value:	\$1,526,572



## Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-9393 www.theaceproject.org

MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: May 22, 2003

SUBJECT: Acceptance of Nogales Street Building Demolition and Close-out of  
Contract No. 02-12 with Peña Grading & Demolition Inc.

**RECOMMENDATION:** It is recommended that the Board:

1. Accept the Nogales Street Building Demolition as being satisfactorily completed in conformance with the project plans and specifications;
2. Approve the final retention payment of \$30,241.80 to Peña Grading & Demolition Inc. thirty-five (35) days after the Notice of Completion is filed, if no claims or objections have been filed, and upon concurrence of the Chief Executive Officer; and,
3. Authorize the Contracts Manager to release the Labor and Materials Bond and the Faithful Performance Bond upon expiration of the required lien period, if no claims or objections have been filed, upon concurrence of the Chief Executive Officer.

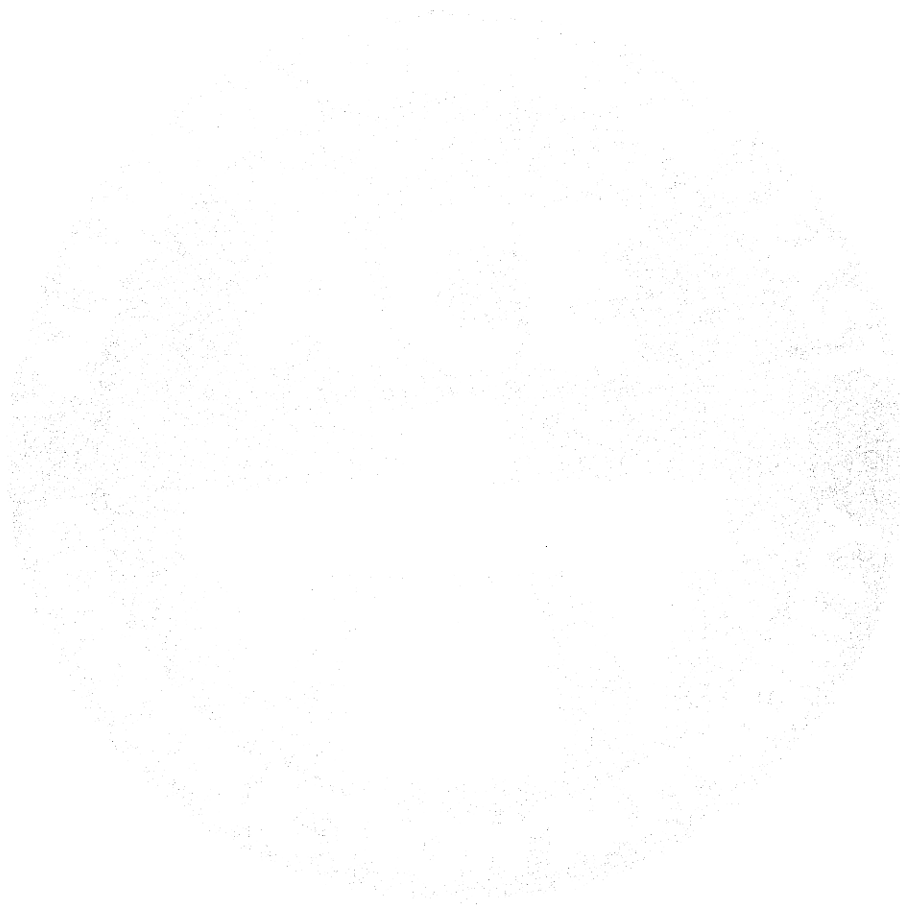
**BACKGROUND:** At your September 23, 2002 meeting the Board authorized the Chief Executive Officer to execute a contract with to Peña Grading & Demolition Inc. for the building demolition necessary for the Nogales St. grade separation project in the amount of \$278,453.

The work described in the project plans and specifications was substantially completed by April 3, 2003. ACE staff has accepted all construction work which included the demolition and removal of all buildings and associated building concrete slabs of properties at the Nogales project site.

Two change orders totaling \$23,965 were issued. Changes included an additional 1,200 sq.ft. of asbestos abatement in the Sky Tae Kwon Do space, tree removal on the west side of Nogales Street in the street parkway area, relocation of a monument sign for one property and remobilization costs for delayed of one building. These change orders were reported to the Board as they were issued.



There was no DBE goal set for this contract due to its relatively low value and specialized nature.



**FY 2004**  
**Proposed Budget**  
**(Presented May 22, 2004)**

# **ALAMEDA CORRIDOR-EAST CONSTRUCTION AUTHORITY**

## **FY 2004 PROPOSED BUDGET**

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## Organization

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### Board of Directors

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Councilman Harry Baldwin  
City of San Gabriel  
Chairman

Mayor Ernest Gutierrez  
City of El Monte  
Vice Chairman

Mayor Edward Cortez  
City of Pomona

Councilman Robert Huff  
City of Diamond Bar

Supervisor Gloria Molina  
LA County Board of Supervisors

Councilman Jack Phillips  
City of Industry

Councilman Edward Vasquez  
City of Montebello

Mayor Paul Eaton  
City of Montclair  
(Ex-Officio San Bernadino  
Associated Governments)

### ACE

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4900 Rivergrade Road  
Suite A120  
Irwindale, CA 91706

Phone: (626) 962-9292  
Fax: (626) 962-9393  
Helpline: 888-ACE-1426  
Web site: [www.theaceproject.org](http://www.theaceproject.org)

Rick Richmond  
Chief Executive Officer

### San Gabriel Valley Council of Governments

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3871 E. Colorado Blvd.  
Suite 101  
Pasadena, CA 91107

Phone: (626) 564-9702  
Fax: (626) 564-1116  
email: [sgv@sgvcog.org](mailto:sgv@sgvcog.org)

Nicolas T. Conway  
Executive Director

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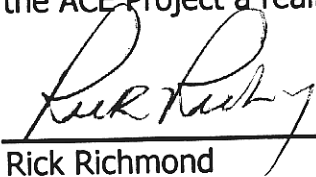
## Budget Message

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As we begin the new fiscal year in July we will be making a significant transition in the Alameda Corridor-East (ACE) project. Safety improvements at 42 crossings will be predominately finished, with the remaining crossings either in construction (5) or being held by the host jurisdiction to incorporate adjacent road widenings (3). Major construction at our first grade separation at Nogales Street will be under way with construction of four more locations not far behind.

The past fiscal year has presented major challenges to the ACE Project. Late design changes mandated by the Union Pacific Railroad and difficult utility relocation negotiations have lead to delays in all of our Phase I grade separation projects. The State budget crisis is jeopardizing a significant portion of our Phase I funding and caused delays in previously routine funding approvals. We have done our best to anticipate and work around these problems to minimize their effect on our overall budget and schedule.

These challenges will continue into the coming fiscal year, along with new ones, most notably a significant increase in construction activity and the upcoming renewal of federal transportation authorization, which is a major element of our planned Phase II funding. The ACE project management team will continue to do what it takes to make the ACE Project a reality.



Rick Richmond  
Chief Executive Officer

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## Project Background and Status

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### BACKGROUND

Trade activity through the Ports of Long Beach and Los Angeles, by all accounts, will continue to grow in the future. The completed Alameda Corridor provides the infrastructure necessary for rail to absorb a major share of that growth. Projected increases in the number of trains operating on the Union Pacific Railroad lines in the San Gabriel Valley range to as high as 160% over the next two decades. Not only will the number of trains increase, but also the length of the trains is expected to increase to up to 8,000 feet.

The San Gabriel Valley Council of Governments recognized that this posed a threat to the San Gabriel Valley in terms of safety, congestion and economic vitality. A feasibility study was done in late 1990's and the Alameda Corridor-East Construction Authority of the San Gabriel Valley Council of Governments was created in September 1998 to implement a project to mitigate the effects of increased train traffic along a 35-mile freight rail corridor through the San Gabriel Valley from East Los Angeles to Pomona.

The \$910 million ACE Project includes transportation safety improvement projects at 42 grade crossings located throughout the San Gabriel Valley, use of modern traffic control technology to minimize congestion at grade crossings, and 20 grade separations. The project is in two phases. Phase I (1999-2004) includes near-term, low cost mobility improvements that encompass safety upgrades, traffic signal control measures, roadway widenings and 10 grade separations. The second phase (2004-007) includes ten additional grade separations.

### PROJECT STATUS

Current project implementation activities are focused on Phase I. The following is a summary of the status of each of the Phase I project components:

#### Jump Start Safety (42 crossings)

- Construction completed at 34 crossings
- Construction underway at five crossings in Pomona
- Construction ready to begin at final three crossings in Industry once City secures road widening right-of-way

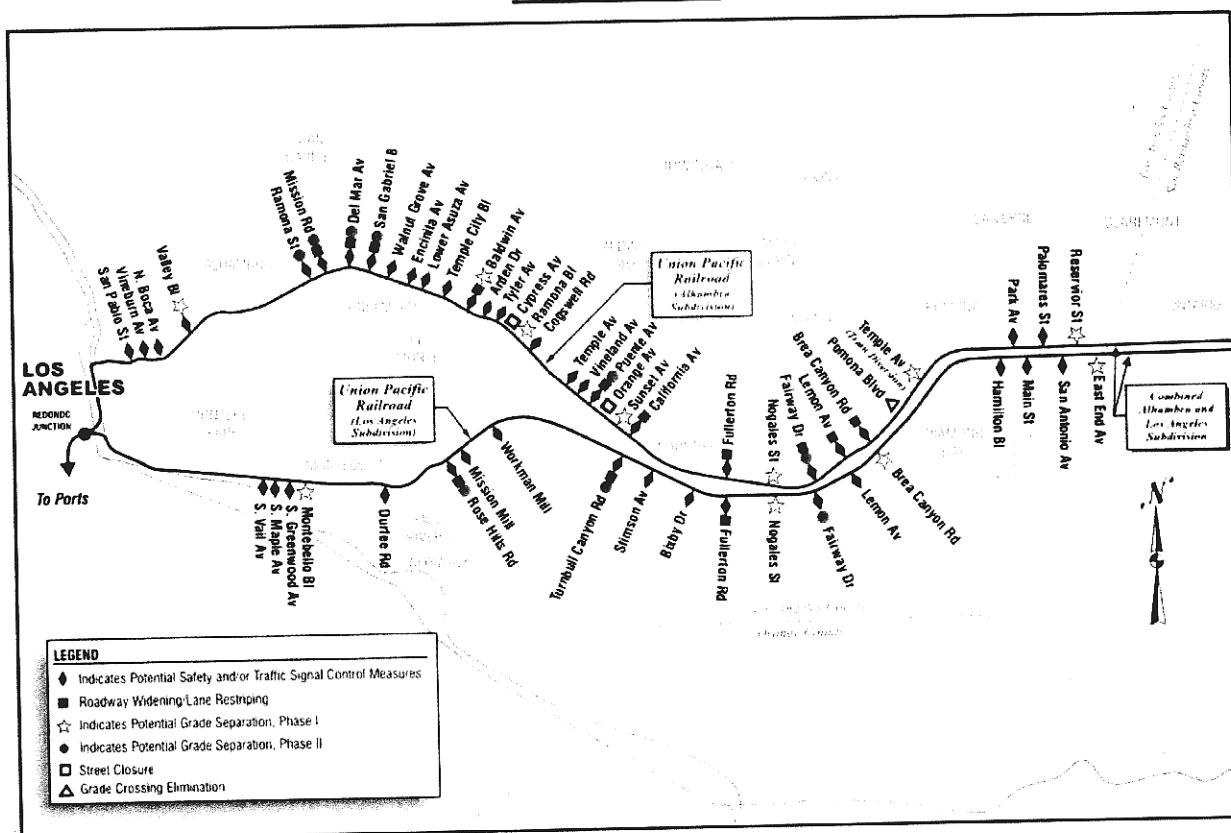
#### Intelligent Roadway/Rail Signal System (demo installation at five crossings)

- Pilot systems for train detection and communications successfully tested
- Field traffic control devices out to bid

## Grade Separations (10 crossings – 8 managed by ACE)

- Design complete at five separations; active (30-65%) at remaining three locations
- Environmental clearance received for seven separations, pending at last location (Baldwin);  
Property acquisitions keeping pace with project schedules
- First grade separation (Nogales St.) under construction; four more locations close to bidding.

## PROJECT MAP



## FUNDING STATUS

The current estimated cost for Phase I is approximately \$406 million. The following funding has been committed for Phase I:

Federal TEA-21 Demonstration Earmark	\$135.5 million
Federal Trade Corridor Grants and Appropriations	10.4
State ITIP Funds	38.7
State General Funds (AB 2928)	130.3
MTA "Call for Projects"	66.4
UPRR Contribution	<u>12.0</u>
	\$393.3 million

The shortfall, approximately \$13 million, will be addressed by seeking means to reduce project costs without sacrificing benefits and, if necessary, deferral of a portion of the Phase I program. It is important to note that a portion of the State General Fund component is at risk due to the projected State budget deficit. The Board has endorsed a project implementation strategy should the State funding in jeopardy (estimated at \$68 million) is lost and not replaced.

In addition to fully funding Phase I, staff will be focusing on strategies for Phase II funding (approximately \$483 million) so that the overall program moves ahead without a loss of momentum.



## FY 2003 BUDGET STATUS

The Board of Directors adopted a revised Fiscal Year (FY) 2003 Budget in October 2002.

Project expenditures to date have lagged the budget due to individual projects taking longer than anticipated to get construction due primarily to late design changes and extended utility relocation negotiations.

Indirect expenses (salaries, rent, office supplies, etc.) are billed to grants based on an annual cost allocation plan approved by Caltrans. The rate approved for FY 2003 is 12.57%. Any under/overrun of indirect expense for FY 2003 will be included in the calculations for FY 2005.

It is ACE policy not to start work on any project without grant commitments in hand. Revenues are generated by grant reimbursements from Caltrans (for state funding and as an agent for the federal government) and the Los Angeles County Metropolitan Transportation Authority. All grants are cost reimbursable, that is, ACE may only request reimbursement for expenditures actually made. Revenues therefore track extremely closely to expenditures.

ACE does not have any independent revenue sources to finance expenditures while waiting reimbursement. To address this cash flow problem, ACE issued short-term, variable rate, grant anticipation notes in March 2001. Funds not in use are deposited with the State of California's Local Agency Investment Fund (LAIF). Anticipated interest earnings are expected to offset interest expense.

The attached table (Exhibit I) compares the FY 2003 Budget to the estimated actual expenses as of June 30, 2003. There are relatively few overruns and comments are provided to explain any significant overruns. The most significant projected underruns are for land acquisition and construction due to the following:

- ROW Acquisitions – We budgeted major land acquisition expenses at five project locations. Spending at three of the five met or exceeded our estimates. One location (Ramona Blvd.) was severely delayed in receiving environmental clearance and one location (Brea Canyon Rd.) has been delayed in design.
- Construction – Varying amounts of construction at five grade separations was budgeted for FY 2003. All were delayed for reasons discussed above; only one of them (Nogales) will incur construction expenses by June 30.

**Exhibit I**  
**FY 2004 Budget vs. Estimated Actuals**  
(\$ in Thousands)

<b>Expenditures</b>	<b>Yr End Estimate</b>	<b>FY 2003 Budget</b>	<b>Under/ (Over)</b>	<b>Comments</b>
<b>Personnel</b>				
Salaries and Wages	\$ 898	\$ 910	\$ 12	
Fringe Benefits	423	432	9	
<b>Board/Employee Expenses</b>				
Travel	34	36	2	
Training/Memberships	12	1	(11)	Team building training not planned
Board Related Expenses	20	22	2	in budget
<b>Professional Services</b>				
Auditing/Accounting	17	25	8	
DBE/Labor Compliance	322	384	62	
Legal - Agency Support	122	166	44	
Program Mgt	2,479	2,506	27	
State/Federal Advisory Services	215	208	(7)	
Risk Management	67	63	(4)	
UPRR Invoice Review	88	48	(40)	Internal changes at UPRR required
Other	2	2	-	more invoice review than planned
<b>Insurance</b>	299	310	11	
<b>Equipment Expense</b>				
Computer/Office Equip	72	62	(10)	Unbudgeted hardware & software upgrades to original equipment
<b>Office Expense</b>				
Rent	191	179	(12)	ACE's share of increased utilities
Maintenance/Other	2	7	5	costs for prior & current years
<b>Office Operations</b>				
Office Supplies	62	30	(32)	Unanticipated requirements for add'l
Postage/Courier	9	9	-	prints, specs, etc. from contractors,
Printing/Copying	21	17	(4)	utilities, RRs.
Telephones	19	17	(2)	
Advertising	9	7	(2)	
Other	5	5	-	
<b>Non- Construction S/T</b>	<u>5,388</u>	<u>5,446</u>	<u>58</u>	
<b>Construction</b>				
Design	8,027	8,606	579	
ROW Acquisition	10,977	16,171	5,194	
Utility Relocation	423	-	(423)	
Construction Mgt	1,608	1,627	19	
Construction	7,030	20,657	13,627	
<b>Construction - S/T</b>	<u>28,065</u>	<u>47,061</u>	<u>18,996</u>	
<b>Total ACE</b>	<u>\$ 33,453</u>	<u>\$ 52,507</u>	<u>\$ 19,054</u>	

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## MEETING FY 2003 GOALS

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Last fiscal year's budget document proposed a series of goals for FY 2003. The following is an accounting for the progress expended on each of them by June 30.

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PROJECT IMPLEMENTATION	FY 2003 PROGRESS
<ul style="list-style-type: none"><li>➤ Have civil construction complete on safety improvements at 30 crossings by December 31; remaining 8 crossings to be completed by June 30.</li></ul>	<ul style="list-style-type: none"><li>➤ 30 crossings were complete by December 31; 4 additional crossings will be complete before June; last five crossings will not be complete until Jan. '04 due to UPRR delays on four-quad gate crossings.</li></ul>
<ul style="list-style-type: none"><li>➤ Have all major components of IRRIS demo program in place and ready for system integration.</li></ul>	<ul style="list-style-type: none"><li>➤ Train Detection – complete by Aug '03 Communication system – complete by Aug '03 Signal System – complete by Dec '03 Field Traffic System – complete by Feb '04</li></ul>
<ul style="list-style-type: none"><li>➤ Begin construction of Nogales (Alh. sub), East End/Reservoir, Temple and Ramona grade separations.</li></ul>	<ul style="list-style-type: none"><li>➤ All locations except for Nogales delayed approx. 9 months due to UPRR design changes and protracted utility relocation negotiations Nogales – in construction East End/Reservoir – out to bid Temple – scheduled for bid by Summer Ramona – scheduled for bid by Fall.</li></ul>
<ul style="list-style-type: none"><li>➤ Complete design of Sunset, Brea Canyon and Nogales (LA sub) grade separations.</li></ul>	<ul style="list-style-type: none"><li>➤ Sunset - stopped at 65% in Dec. to appeal UPRR design requirements adding to project cost; Brea Canyon - completion expected by November Nogales - design not authorized by County until late 2002, conceptual design complete Baldwin - design at 30%.</li></ul>

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FUNDING/FINANCIAL ADMINISTRATION	FY 2003 PROGRESS
➤ Secure any outstanding funding needed for Phase I.	➤ 97% of Phase I funding was secured until State budget crisis; working to save and/or restore threatened State funding.
➤ Develop Phase II funding plan and initiate steps to secure funding.	➤ Funding plan developed; helped organize national coalition to promote federal reauthorization funding; Project funding request (\$200M) submitted by Congressional delegation.
➤ Maintain sound financial & accounting systems and MTA/Caltrans audit compliance.	➤ Financial audits continue to be "clean"; MTA has audited 73 contracts and has questioned less than 1/2% of the total value.
➤ Manage reimbursements and working capital financing to maintain project progress and minimize cost to the Authority.	➤ We bill grantors within three days of paying invoices and Caltrans and MTA usually reimburse within 2-3 weeks; the "spread" between earned and owed interest on our working capital has been narrowing, however.

OUTREACH	FY 2003 IMPLEMENTATION
➤ Support Jump Start construction at 31 remaining new locations including tailored safety outreach for communities, business and schools affected at key crossings during Jump Start construction.	➤ Distributed construction notices to affected residences and businesses and 8,500 student safety kits.

- Conduct four community meetings to ensure appropriate community review of grade separation designs.
- Conduct two groundbreaking ceremonies in Pomona and Industry for grade separation projects to sufficiently publicize commencement of construction work.
- Adopt 2003 DBE goals implementing monitoring procedures and promote DBE participation in our program.
- Disseminate public information such as brochures, articles, video, news and press releases to increase awareness of project.
- Increase project awareness with community and implement business assistance program for businesses affected by construction activities.
- Maintain up-to-date construction project information on website.
- Held open house meetings for Brea Canyon, Nogales, Ramona and Baldwin projects.
- Held one groundbreaking ceremony in Industry/West Covina (only one project ready).
- Accomplished.
- Accomplished/On-going.
- Participating in SGV business outreach programs and implementing assistance program for businesses affected by Nogales St. project.
- Accomplished/On-going.

Staff proposes the following goals for the upcoming fiscal year:

PROJECT IMPLEMENTATION

- Have five remaining crossing safety improvements completed by March '04 (does not account for three crossings on hold at request of City of Industry).
- Have IRRIS system fully deployed and ready for testing.
- Grade separations at Nogales St., East End Ave./Reservoir St., Temple Ave., and Ramona Blvd. in construction.
- Complete designs for grade separations at Brea Canyon Rd., Baldwin Ave. and Sunset Ave. (if UPRR issues resolved); Nogales St. (LA sub) near complete.
- Complete environmental clearance process for San Gabriel Trench.

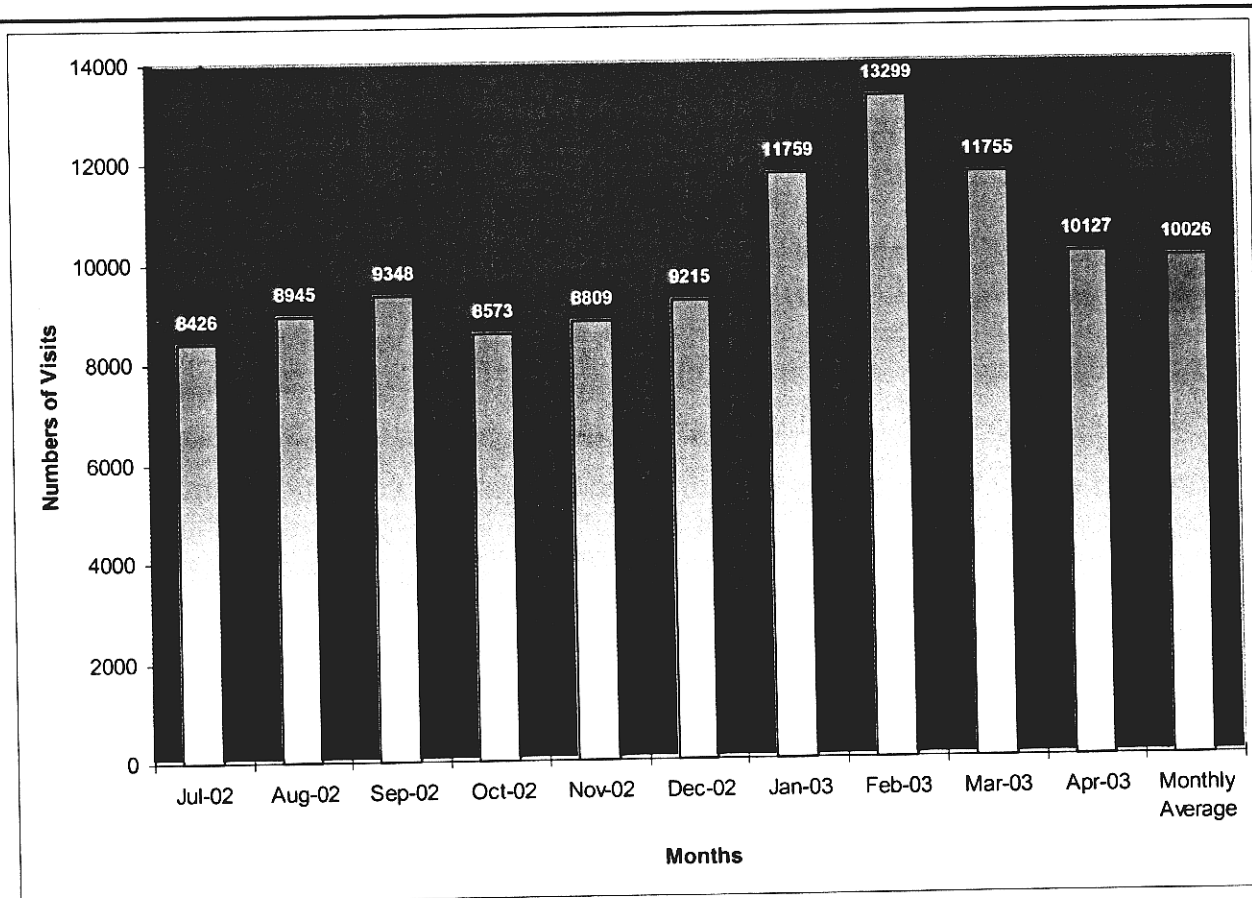
FUNDING/FINANCIAL/ADMINISTRATION

- Secure existing or replacement funding needed for Phase I.
- Secure Phase II funding from any available Federal or State transportation funding initiatives.
- Maintain sound financial and accounting systems and MTA/Caltrans audit compliance.
- Manage reimbursements and working capital financing to maintain project progress and minimize cost to the Authority.

OUTREACH

- Support remaining safety construction projects (Pomona and possibly Industry) through tailored safety outreach for communities, businesses and schools.
- Conduct four community design reviews for grade separation projects in design if construction funding is assured.
- Support environmental review of San Gabriel Trench project, including one public workshop.

- Conduct approximately two groundbreaking ceremonies.
- Disseminate public information such as brochures, articles, video news and press releases to increase awareness of the project; produce ACE Project video.
- Increase ACE awareness with business community and implement business assistance program for businesses affected by construction activities.
- Adopt 2004 DBE goals, implement monitoring procedures and promote DBE participation in our program.
- Implement an effective labor compliance monitoring program including early detection of any labor compliance deficiencies/violations and timely remedy.
- Maintain website for up-to-date project construction information (The chart below supports continued interest in our website with an average of over 10,000 "hits" per month).



The goal of the ACE management team remains to deliver a project that accomplishes its intended purposes on schedule and within budget. As an integral part of that goal, we have developed and implemented budgeting, accounting and project control systems that meet generally accepted accounting standards as well as those of federal, state and local funding authorities.

#### BUDGET DEVELOPMENT

The FY 2004 budget is for the period July 1, 2003 through June 30, 2004.

The budget was developed from our most current estimate of the pace of project commitments over the next fiscal year. It reflects anticipated expenditures (accrual basis) during FY 2004. New contract authorizations that are assumed in the budget that require Board authorization will be brought to the Board for individual consideration. The project activities expected during FY 2004 are:

- ✓ Grade Crossing Safety construction will be completed.
- ✓ IRRIS installation in the City of Pomona will be complete, with system integration and testing will be continuing into the next fiscal year.
- ✓ Construction will be ongoing on the East End, Reservoir, Nogales, Temple, and Ramona projects.
- ✓ Design will be complete and land acquisition may be underway (dependent on construction funding) on the Sunset, Brea Canyon and Baldwin projects; design will be nearing completion on the Nogales (LA sub) grade separation under agreement with LA County.

The construction-related expenses (design, land acquisition, construction management and construction) account for the bulk of the FY 2004 budget, however, there are also project management and support expenses. These "indirect" expenses, expected to amount to about 11% of our FY 2004 expenses, were developed based on past experience adjusted for any increased activity levels or inflation. Almost all of these costs are reimbursed from grants according to an Indirect Cost Plan which has to be approved annually by Caltrans and is based on our approved budget.



## FY 2004 BUDGET

The FY 2004 Budget is presented in Exhibit II.

Exhibit III compares the estimated actuals for FY 2003 to the Budget for FY 2004.

The following addresses significant line item increases proposed for FY 2004 compared to the FY 2003 actuals budget for all "indirect" expenses. The basis for changes in the construction related line items was explained above.

### *Staff Salaries and Benefits*

The '04 budget includes a recently authorized part time position which was not included in this year's budget. This line item also provides for a 5% merit salary adjustment pool to be administered per our adopted salary guidelines. We are also expecting increased cost in our health insurance costs.

### *Professional Services/Auditing/Accounting*

With an increased level of spending, we are planning to add interim quarterly reviews to expedite year-end audits.

### *Professional Services/DBE/Labor Compliance*

The amount of construction in '04 will be substantially greater than '03, requiring more time from labor compliance personnel.

### *Professional Services/State/Federal Advisory Services*

The current State budget uncertainty is causing us to use more hours from our state advisor and we expect that to continue next year; our federal advisory contract includes a modest CPI-based increase.

### *Professional Services – Risk Management*

The '04 estimate includes additional expenses for claims administration, which we expect will be needed as construction increases.

### *Insurance*

We have been advised that the premiums for some of our "administrative" coverages will be significantly higher, most notably for Directors and Officers insurance.

### *Equipment Expense – Computer/Office Equipment*

Project management software, an upgrade to ACE's accounting system, a new server to operate these systems are additions to our normal equipment purchases and leases.

**Exhibit II**  
**FY 2004 Budget**  
(\$ in Thousands)

<b>Expenditures</b>	<b>FY 2004 Proposed</b>
<b>Personnel</b>	
Salaries and Wages	\$ 992
Fringe Benefits	453
 <b>Board/Employee Expenses</b>	
Travel	36
Training/Memberships	10
Board Related Expenses	21
 <b>Professional Services</b>	
Auditing/Accounting	23
DBE/Labor Compliance	340
Legal - Agency Support	120
Program Mgt	2,200
State/Federal Advisory Services	236
Risk Management	80
UPRR Invoice Review	78
Other	5
 <b>Insurance</b>	397
 <b>Equipment Expense</b>	
Computer/Office Equipment	88
 <b>Office Expense</b>	
Rent	191
Maintenance/Other	2
 <b>Office Operations</b>	
Office Supplies	68
Postage/Courier	10
Printing/Copying	24
Telephones	20
Advertising	8
Other	6
<b>Non- Construction S/T</b>	<u>5,407</u>
 <b>Construction</b>	
Design	7,809
ROW Acquisition	5,370
Utility Relocation	9,725
Construction Mgt	2,832
Construction	17,508
<b>Construction - S/T</b>	<u>43,244</u>
<b>Total ACE</b>	<u><u>\$ 48,651</u></u>

**Exhibit III**  
**Comparison – FY 2004 Budget vs. FY 2003 Estimated Actuals**

<b>Expenditures</b>	<b>FY 2003 Estimated</b>	<b>FY 2004 Proposed</b>	<b>Incr/ (Decr) Decr</b>	<b>%</b>
<b>Personnel</b>				
Salaries and Wages	\$ 898	\$ 992	94	10%
Fringe Benefits	423	453	30	7%
<b>Board/Employee Expenses</b>				
Travel	34	36	2	5%
Training/Memberships	12	10	(2)	-17%
Board Related Expenses	20	21	1	3%
<b>Professional Services</b>				
Auditing/Accounting	17	23	6	35%
DBE/Labor Compliance	322	340	18	6%
Legal - Agency Support	122	120	(2)	-2%
Program Mgt	2,479	2,200	(279)	-11%
State/Federal Advisory Services	215	236	21	10%
Risk Management	67	80	13	19%
UPRR Invoice Review	88	78	(10)	-11%
Other	2	5	3	150%
<b>Insurance</b>	299	397	98	33%
<b>Equipment Expense</b>				
Computer/Office Equipment	72	88	16	22%
<b>Office Expense</b>				
Rent	191	191	(0)	0%
Maintenance/Other	2	2	-	0%
<b>Office Operations</b>				
Office Supplies	62	68	6	10%
Postage/Courier	9	10	1	11%
Printing/Copying	21	24	3	14%
Telephones	19	20	1	4%
Advertising	9	8	(1)	-11%
Other	5	6	1	20%
<b>Non- Construction S/T</b>	<u>5,388</u>	<u>5,407</u>	<u>19</u>	<u>0%</u>
<b>Construction</b>				
Design	8,027	7,809	(218)	-3%
ROW Acquisition	10,977	5,370	(5,607)	-51%
Utility Relocation	423	9,725	9,302	2199%
Construction Mgt	1,608	2,832	1,224	76%
Construction	7,030	17,508	10,478	149%
<b>Construction - S/T</b>	<u>28,065</u>	<u>43,244</u>	<u>15,179</u>	<u>54%</u>
<b>Total ACE</b>	<u>\$ 33,453</u>	<u>\$ 48,651</u>	<u>15,198</u>	<u>45%</u>

035

## PROJECT FINANCING

The San Gabriel Valley Council of Governments (SGVCOG) authorized the issuance of up to \$100 million in tax-exempt Grant Anticipated Notes (GANs) depending on cash flow requirements. After issuing \$30 million 2001, SGVCOG issued a total of \$72.6 million in FY 2002. \$24.5 million was retired (per IRS requirements for tax-exempt debt) in February 2003, leaving \$55.5 million outstanding. It is expected that ACE will again retire and reissue debt in FY 2004. ACE continues to anticipate that the cost of the notes will be self-funding over the life of the project through the temporary investment of proceeds in the State of California Local Agency Investment Fund (LAIF).

Because the ACE Construction Authority continues to have no other sources of revenue other than grants and contributions from funding agencies ACE staff will make every effort to ensure that all expenditures are reimbursable by federal, state or local grants.

Staff is making every effort it can to operate in this stringent financial environment, but the Board needs to be aware of the practical difficulties of recovering every expense and will be advised periodically of cumulative exposure for unreimbursed costs the Authority is incurring. As of this date, we are aware of the cumulative unreimbursed or unreimbursable expenses, dating back to the beginning of the ACE Construction Authority:

FY 1998:	\$71,185	Expenses incurred by SGVCOG prior to 6/30/98 not reimbursed by MTA
FY 2000:	12,558	Net interest cost of loan from City of Industry
	1,000	Miscellaneous expenses incurred in FY 2000
FY 2001:	2,738	Net interest cost of loan from City of Industry
	1,000	Miscellaneous expenses incurred in FY 2001
FY 2003:	10,300	Nogales St. grade separation groundbreaking expenses not eligible for reimbursement
	\$98,781	Estimated Total – Project life to date

## BUDGET AMENDMENTS AND REVISIONS

Staff will continue to provide the Board with project status and budget updates on a quarterly basis. A mid-year review of the upcoming fiscal year will be done in January and proposed revisions, if any, will be submitted for Board approval at that time.

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## BOARD REVIEW AND APPROVAL

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The proposed budget is presented to the Board and to the public for consideration at the May Board meeting. Any changes will be incorporated into the proposed budget and submitted to the San Gabriel Valley Council of Governments for consideration at their June meeting.

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**FY 2004 BUDGET GLOSSARY**

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<b>Item</b>	<b>Definition</b>
<u>Personnel</u>	
Salaries and Wages	Salaries for employees and temporary help.
Fringe Benefits	Paid benefits such as health insurance, life insurance and pension.
<u>Board/Employee Expenses</u>	
Travel	Employee travel for business purposes. Includes registration fees and local mileage reimbursement or auto allowance.
Training/Memberships	Authority and professional memberships; ongoing professional training.
Board Related Expenses	Per diem and Board travel.
<u>Professional Services</u>	
Auditing/Accounting	Financial auditors and accounting services.
DBE/Labor Compliance	Disadvantaged Business Enterprise and Labor Compliance reporting, administration and monitoring.
Legal - Agency Support	General counsel, construction legal and any other legal services that are not directly chargeable to specific construction projects.
Program Management	Contracted project administration support.
State/Federal Advisory Services	State legislation research, advisory and funding application services.
Risk Management	Administrative fee for assisting in analyzing insurance requirements, reviewing ACE and contractor policies and obtaining insurance.
UPRR Invoice Review	UPRR invoice review services.
Other	Miscellaneous minor professional services.

Insurance	Insurance premiums and out-of-pocket losses
<u>Equipment Expense</u>	Purchase/lease and maintenance of office equipment such as copiers, fax machines and computers.
<u>Office Expense</u>	
Rent	Rent on ACE office space.
Maintenance/Other	Maintenance and miscellaneous expense associated with office space.
<u>Office Operations</u>	
Office Supplies	Paper, files, miscellaneous office supplies.
Postage/Courier	Postage and courier services (such as Federal Express)
Printing/Copying	Printing and copying expense.
Telephones	Both office and cell phone.
Advertising	Advertising for bids, DBE.
Other	Subscriptions, payroll service fees, etc.
Non-Construction Subtotal	All of the above; commonly called either indirect or overhead costs.
<u>Construction</u>	
Design	Preparation of plans, specifications and estimates
ROW Acquisition	Identification, appraisal and acquisition of project right-of-way.
Utility Relocation	Costs of utility relocation (including design) where chargeable to the project.
Construction Management	Oversight of construction work.
Construction	Project construction contracts/railroad agreements.
<u>Construction Subtotal</u>	All project expenses; commonly called direct.



## Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: May 22, 2003

SUBJECT: Approval to Settle Claim for Loss of Business Goodwill  
Nogales Street Grade Separation Project  
Alameda Corridor-East vs. Kim et al  
LASC Case No. BC 269663

**RECOMMENDATION:** Authorize staff to consummate a settlement of loss of business goodwill with the business California Dentistry & Braces, relocated from 2657 E. Valley Boulevard in the City of West Covina and owned by Dr. James E. Dickey, DDS.

### BACKGROUND

Property located at 2657 E. Valley Boulevard, owned by Mr. Kim et al, is required in its entirety for the Nogales Street grade separation project. A tenant (Dr. James Dickey) occupying the parcel has been displaced. The Authority has tendered an offer for Improvements Pertaining to Realty (fixtures) and the relocation assistance benefits are being processed. The tenant has made a claim for loss of business goodwill as a result of the displacement. The Authority and the tenant have each conducted an appraisal of the business goodwill. We believe it will be possible to reach a negotiated settlement for the loss of business goodwill, but the price will exceed my authority to approve.

The terms and conditions of the final settlement will be discussed in a closed-door session with the Board of Directors.

### BUDGET IMPACT

Funds for the acquisition of this property are available from Federal, State and Local grants and are included in the Authority's FY 2002/2003 budget.





## Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: May 22, 2003

SUBJECT: Approval to Purchase Property for East End Avenue Grade Separation Project

RECOMMENDATION: Authorize staff to purchase the properties located at 151-157 East End Avenue, Pomona from Jose Manuel Gamboa for the East End grade separation project.

### BACKGROUND

A portion of the property owned by Jose Manuel Gamboa, located at 151-157 East End Avenue, is required for the East End Avenue grade separation project. The Authority has tendered an offer to acquire two (2) utility easements and two (2) temporary construction easements. We believe it will be possible to reach a negotiated acquisition agreement, but the price will exceed my administrative authority to approve.

The terms and conditions of this acquisition will be discussed in closed-door session with the ACE Board of Directors.

### BUDGET IMPACT

Funds for the acquisition of this property are available from Federal and State grants and are included in the Authority's FY 2002/2003 budget.



## Alameda Corridor-East Construction Authority

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MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: May 22, 2003

SUBJECT: Approval to Purchase Property for the East End Avenue Grade Separation Project

**RECOMMENDATION:** Authorize staff to purchase the parcel located at 159 East End Avenue in the City of Pomona from Victor and Maria Magallanes.

### BACKGROUND

A portion of the property owned by Victor and Maria Magallanes, located at 159 East End Avenue, is required for the East End Avenue grade separation project. The Authority has tendered an offer to acquire an access easement, a utility easement and a temporary, construction easement. We believe it will be possible to reach a negotiated acquisition agreement, but the price will exceed my administrative authority to approve.

The terms and conditions of this acquisition will be discussed in closed-door session with the Board of Directors.

### BUDGET IMPACT

Funds for the acquisition of this property are available from Federal and State grants and are included in the Authority's FY 2002/2003 budget.



## Alameda Corridor-East Construction Authority

4900 Rivergrade Rd. Ste. A120 Irwindale, CA 91706 (626) 962-9292 fax (626) 962-3552 [www.theaceproject.org](http://www.theaceproject.org)

MEMO TO: ACE Construction Authority Board Members and Alternates

FROM: Rick Richmond  
Chief Executive Officer

DATE: May 22, 2003

SUBJECT: Approval to Purchase Property for the Reservoir Street Grade Separation Project  
Alameda Corridor-East v. GTE California (VERIZON) et al  
LASC Case No. BC 294344

RECOMMENDATION: Authorize staff to purchase the parcel located at the southwest corner of Monterey Street and Reservoir Street in the City of Pomona from Verizon, Inc. for the Reservoir Street grade separation project.

### BACKGROUND

The property, owned by Verizon Inc. (formerly GTE California), is located at the southwest corner of Monterey Street and Reservoir Street in the City of Pomona, and was previously authorized by you for partial acquisition. The owner uses the parcel for material storage.

In an effort to reduce costs and eliminate a steep access driveway to an adjacent parcel staff analyzed the alternative of providing access from an adjacent parcel on the market for sale and already needed in part for utility relocation. The results of the analysis indicated that by relocating an access road from Reservoir to Monterey Street, there would be a savings of more than \$120,000 in construction including earthwork for the steep driveway, installation of a less sophisticated traffic signal, and the elimination of retaining walls. In order to realize these cost savings, ACE will need to purchase the Verizon parcel in its entirety.

Based on our appraisal, ACE has tendered an offer to purchase a portion of the subject site for \$36,720. We believe we will be able to purchase the full parcel at or close to our land value appraisal.

### BUDGET IMPACT

Funds for the acquisition of this property are available from Federal and State grants and are included in the Authority's FY 2002/2003 budget.